

## Meeting ADB(M)042

### Minutes

ADB(M)042- MoM

Date of the Meeting..... : 14 December 2017

Time ..... : 10:00-14:00

Place..... : SJU, av. de Cortenbergh, 100 - 1000 Brussels

#### Board Members and other participants

SJU Members	Representative		
European Union represented by the European Commission (EC)	Mr Henrik Hololei	Member	
	Mr Maurizio Castelletti	Observer	
	Mr Marco de Sciscio	Observer	
	Mr Octavian Vasile	Observer	
European Commission IAS	Mr Reinder van der Zee	Observer	
	Mr Friedrich Braeuer	Observer	
Eurocontrol	Mr Frank Brenner	Member	
	Mr Eamonn Brennan	Observer	
Airbus	Mr Bruno Darboux	Member	
AT-ONE	Mr Dirk Kügler	Member	
B4 Consortium	Mr Maciej Rodak	Member	
COOPANS	Ms Susanne Isaksen	Member	
Dassault	Ms Frédéric Falchetti	Member	
DFS	Mr Ralf Bertsch	Alternate	
DSNA	Mr Philippe Barnola	Alternate	
ENAIRE	Ms Mariluz de Mateo	Alternate	
ENAV	Mr Cristiano Cantoni	Alternate	<i>excused</i>
Frequentis SESAR Partners	Mr Michael Holzbauer	Alternate	
Honeywell	Mr George Papageorgiou	Member	
INDRA	Mr Rafael Gallego	Member	
Leonardo	Mr Stefano Porfiri	Member	<i>excused</i>
NATMIG	Mr Trond Bakken	Alternate	
NATS	Mr Jonathan Astill	Member	
SEAC	Mr Gérard Batistella	Member	
Skyguide	Mr Pascal Latron	Alternate	<i>excused</i>
Thales Air System SAS	Mr Luc Lallouette	Member	
Thales Avionics SAS	Mr Pascal Combe	Alternate	

#### Stakeholder representatives

#### Representative

Military European Defence Agency (EDA)	Mr Chris Lorraine	Member	
	Mr Jurgen Stegmeir	Observer	
Civil users of airspace (AU)	Mr Thomas Reynaert	Observer	
Air Navigation Service Providers (ANSP)	Mr Guenter Martis	Member	
Equipment manufacturers (EM)	Mr Vincent de Vroey	Member	

Airports (APT)	Mr Panos Spiliotis	Alternate	
Staff in the ATM sector (STAFF)	Mr Michele Altieri	Member	<i>excused</i>
Scientific community (SC)	Mr Peter Hecker	Member	

**Permanent representatives****Representative**

SJU Executive Director	Mr Florian Guillermet		
SJU Deputy Executive Director	Mr Peter Hotham		
SJU Chief Administration Affairs	Mr José Calvo Fresno		
SJU Internal Audit Capability	Mrs Véronique Haarsma		
Secretary of the Board	Mrs Ilaria Vazzoler		

**Item 1 Introduction**

The Chairperson, Mr Hololei, welcomed the Board Members to the 42<sup>st</sup> Ordinary Meeting of the SJU Administrative Board, the third and last ordinary meeting of 2017.

He welcomed Mr Eamonn Brennan, the Chief Executive of the Irish CAA, who will take over from Mr Frank Brenner in the role of Director General of Eurocontrol as of 1 January 2018 and will thus also become Member and Deputy Chairperson of the Admin Board of the SJU.

He also informed that: Mr Buono could not attend to represent the Airspace Users and was replaced by Mr Thomas Reynaert from A4E, who attended as observer; Leonardo could not be represented; ENAV was in a similar situation and have asked to be represented by DSNA; the representatives of Skyguide could not join as they were attending the ICAO events in Montreal.

Verification of the voting quorum

- ▷ The Chair noted that the meeting had the required voting quorum.

Adoption of the agenda

No Board Members proposed additional changes to the Agenda.

- ▷ The Board adopted the Agenda.

Disclosure of conflicts of interests

The Chairperson reminded the participants of their obligation to declare any real or potential conflict of interest on any agenda item. Board Members and participants were required to fill in and sign the relevant declaration in accordance with Article 2.4 of the Board decision on conflict of interest ADB(D)-10-2008 as modified by Decision ADB(D)-03-2012. Copies of the complete text of the decision were available in the meeting room in order to allow participants to better understand their obligations in terms of declaration of conflict of interest.

- ▷ The Chairperson noted that no conflict of interest was declared on any agenda item and that all participants had completed the declarations on conflict of interest.

Chairperson's Briefing

Mr Hololei provided a summary of the progress of several Aviation Strategy initiatives.

On comprehensive air transport agreements, negotiations with both Tunisia and



Armenia have been finalised and those with Azerbaijan were planned to be concluded in early 2018; good progress has been made with Turkey, Qatar and ASEAN. The EC is working to close these negotiations and open new ones, considered the importance to give concrete effects to these air transport agreements.

Mr Hololei also mentioned he signed the first BASA with China the week before.

On the revision of safety regulation (EASA Regulation) Mr Hololei informed that following intensive negotiations, a provisional agreement was reached at the end of November 2017, paving the way to reaching an agreement in the first reading by the end of the year.

Council and EP have started discussions on the new legislative proposal for a Regulation on safeguarding competition in air transport (repealing Regulation 868/2004).

The European Court of Auditors (ECA) carried out a performance audit on the Single European Sky initiative (SES) and published its Special Report on 30.11.2017.

The audit examined whether the SES is resulting in a more efficient European Air Traffic Management (ATM), and focused on the design of SES, some of the SES's regulatory components (notably FABs and the performance and charging schemes) and the SESAR project (focusing on the development phase).

On the positive side, ECA's Report concludes that the SES initiative was justified, fostering a culture of efficiency and transparency. On the other hand, the Court is critical when it comes to performance results, mainly due to a continuously fragmented ATM service in Europe.

The EC supported the report, as it identifies the same shortcomings already addressed through the SES2+ package, which is blocked in the inter-institutional decision making processes.

With regard to SESAR, ECA limited its observations to the development phase and asked the EC to review the support structure to the ATM R&D, reinforce the accountability of the SJU and prioritise EU support to those R&D solutions that promote defragmentation and a competitive environment.

The EC will consider these recommendations in the context of the implementation of the ongoing H2020 programme, as well as in the preparation of the upcoming R&I Framework Programme (FP9).

As the ECA is already considering continuing its audit on the SESAR deployment phase in 2018, the Chairperson invited the Board Members to have a look at the report and support the SJU and the EC in implementing its recommendations.

On the PCP Review, Mr Hololei informed that the SESAR Deployment Manager has assessed the progress of the PCP implementation and at the end of November has submitted to the EC a report making several recommendations for a possible review of the PCP Regulation. Most of the recommendations focus on extending some deployment deadlines for functionalities where there have been delays in achieving "deployment readiness" status. In the one of IOP, this also stems from the delayed availability of the SESAR solutions.

According to SDM, changes are necessary to optimise and synchronise the implementation of PCP, while keeping the binding nature of PCP and without affecting the stakeholders' capability to implement the changes.

The EC will wait for the SJU to deliver its recommendations on CP2 to make a joint assessment and follow-up with the next steps.

Regarding the ATM MP Event & Digital Transport Days, the Chairperson underlined the success of the event and expressed strong support for the "Tallinn Digital Charter".

He also added that the 3rd High Level Conference on Drones, held in Helsinki, has been very successful. Work on U-space should now focus on live demonstrations of U-space services and on enabling the regulatory framework.

He continued talking about the H2020 evaluation follow-up and the future of SESAR in the next MFF.

As mentioned in the October Board meeting, where an extensive outline of the conclusions and the recommendations of the two evaluations carried out on the last years of SESAR 1 and the first years of SESAR 2020 were provided, the key recommendation focused on reducing the administrative burden and simplifying the Horizon 2020 rules.

DG MOVE is in close contact with DG RTD for the evaluations follow-up and for the preparation of the next multi-annual financial framework.

The Chairperson underlined DG MOVE's intention to continue the support for the full lifecycle of SESAR, i.e. definition and development coordinated by the SESAR JU and the deployment coordinated by the SESAR Deployment Manager.

The EC plans to present in May a Proposal for the next Multiannual Financial Framework that will be followed in June by a proposal for the research framework programme (FP9) and its rules for participation.

In line with the evaluation recommendation, the EC will seek to reflect the specificities of SJU in these rules and to request a number of derogations that would simplify and clarify the situation both for the SJU and the Members (e.g. multi-annual commitments). The EC asked SJU to share specific needs.

As far as financial instruments are concerned, the EC is assessing internally the financial needs for a future ATM research programme, as well as the deployment needs. The 2018 edition of the Master Plan will provide the basis, but upcoming 2021-2027 activities need to be monetised. The Chairperson concluded by inviting the members to assist the SJU and DG MOVE in preparing a solid assessment.



#### Conclusions on item 1

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- The Board took note of the information provided by the Chairperson.

### Item 2 EU ATM Master Plan

The Executive Director reported to the Members the activities performed recently in the area of the EU Master Plan, namely CP2 preparation, drones and the ATM Master Plan campaign 2018.

Concerning the CP2 preparation, Mr Guillermet said that this is slightly delayed compared to the initial schedule, but consensus was reached on three main areas of deployment activities: building on the existing PCP functionalities (1-6) and adding specific services; improving safety addressing EASA recommendation on key safety risk areas; adding a new ATM functionality related to CNS rationalisation, stemming from SESAR 1 recommendations.

All this work will be based on fully mature solutions and responds to the need of synchronisation of their deployment.

Mr Guillermet continued informing that the cost-benefit analyses are ongoing and that the SJU has worked with experts to assess the return on investment and its timeline. He informed that some difficulties are to be expected because: i) combining technical elements and a CBA is a complex exercise; ii) stretching the deadlines of the milestones related to the implementation of Solutions to a distant time horizon (e.g. 2040) makes more difficult to see benefits materialising. This adds a lot of complexity to the business case set up for the CP2 proposal.

The SJU is currently working to improve the quality of the document before passing it to the EC.

On Drones, Mr Guillermet informed that the SJU produced a “Road map for the safe



integration of drones into all classes of airspace” that will serve as input to the preparation of the Master Plan 2018 update. He proposed to have the document endorsed by the ADB via a written procedure to be launched before the end of December.

He continued by saying that the Digital Transport days in Tallinn was an opportunity to reflect together on the changes happening in Aviation and support of the industry in taking stock of digital transformation in the SES and will be considered in the next campaign for the EU ATM Master Plan update.

Regarding the preparation of the next campaign for the EU ATM Master Plan update, Mr Guillemet confirmed the activities were just starting and the aim was to have a final draft to start a formal consultation in Q3 and a closure event and adoption of the new Master Plan in Q4.

The Chairperson informed that the EC, once the final version of the CP2 recommendation is received, will proceed with the assessment of the proposals received from SJU and SDM, which could lead to further changes to the proposals.

The EC will then seek guidance from the policy level of the SESAR deployment governance (ECTL, NM, EASA, PRB, European Standardisation Bodies, Eurocae and EDA) and build a technical and economic analysis which will be submitted to a public consultation and should be concluded in the first half of 2018.

Building on the outcomes of the public consultation, the EC will prepare the draft legal texts for the amendment of PCP and for a new Implementing Regulation on CP2, which are to be discussed and agreed upon in the Single Sky Committee in 2018.

On the ATM MP Campaign, Mr Hololei expressed the EC’s support to the “Roadmap for the safe integration of drones” and added that the EC was assessing with EASA the timelines for launching the regulatory work related to U-space services (in particular U3 and U4).

Ms de Mateo (ENAIRE) asked when the CP2 proposal can be expected, if changes are to be envisaged and the basis for CNS rationalisation. She also stressed the challenges for the year ahead, specially taking into account the interrelations among them: the PCP review consultation and adoption, the CP2 consultation and adoption and the MP campaign.

Mr Guillermet replied that the work will progress on the basis of the agreed content and will mainly aim to improve the overall consistency and the quality of the document. The target date to have this delivered to the EC is before the end of the year.

In replying to a question raised by Mr Lallouette (Thales) on the relationship between the 3 main themes in CP2 and relevant KPIs, Mr Guillermet confirmed that, safety has not been monetised, although is included in the scope of the CP proposal; contributions of the CNS rationalisation is primarily under the productivity (KPI 1).

Addressing Mr Darboux (AIRBUS) question about the timeline of 2040 for the materialisation of return on investment, the SJU Executive Director explained that some benefits are likely to materialise earlier (e.g. in 2030). He stated that all relevant stakeholders should reflect upon the alignment between expectations of a fast changing world and the ATM research progress and time horizon. This should also be considered in the next ATM MP update.

Mr Brenner (Eurocontrol) shared EC’s views regarding the ATM MP campaign and recognised the success of the Tallinn event; underlined that the updated ATM MP will play an important role in convincing about the importance of allocating appropriate resources to R&D in the next MFF. One key element is the linkage between research activity and contributions to performance indicators.

In regards to the results of the evaluation report, Mr Brenner commented that ATM research in Europe started from a very fragmented situation and improved thanks to the endeavour of combining efforts and avoiding duplication.

Mr Brenner acknowledged that delays of the Deployment Manager will not help to make the SESAR case convincing.

Mr Barnola (DSNA) stated that the data issue is at the core of digitalisation and at the core of R&D; he invited to find a way to share R&D data among stakeholders in order to better work together.

## ▷ Conclusions on item 2

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- The Board took note of the information provided on the EU ATM Master Plan related activities.

## **Item 3 Report on the progress of the Programme and other on-going key activities**

Mr Hotham continued providing an overview of the SESAR 2020 projects currently running. He then continued illustrating activities on U-space that in 2017 will encompass exploring U3/U4 (U-space concept definition, Higher level of automation, Ground based technology, Datalink, Drone information management, Security & Cyber-resilience, Aircraft systems) and in 2018 will be dedicated to demonstrating U2 (U-space large scale demos, Geofencing). For U-space large scale demo, the call definition was ongoing in December 2017 and the opening was planned for January 2018; for Geofencing (non-H2020 call) the call closed on 22 November with the evaluation and award decision expected to be complete tentatively by the end of December.

Regarding IOP, Mr Hotham underlined the commitment signed by Industrials and ANSPs on 19 October 2017 to deliver the IOP Solution by September 2020; and the commitment signed by Eurocontrol on 16 November to confirm the contribution of the Network Manager. This confirms that the commitment towards the performing the work in accordance to the baselined roadmap. He also informed that the first IOP end to end technical Flight Object exchange ran on 13 December 2017 and that Network Manager Use Case specifications are planned to be defined by Q1 2018.

Regarding the exercise conducted on 13 December, Flight plans were generated by Indra Systems, flight object were transferred through the IOP to Thales and some software issues were identified and analysed, plans were successfully sent from Thales to Leonardo.

Looking at 2018, Mr Hotham presented the key highlights:

- Integration of IFR RPAS into air surface management
- Remote Tower operations for multiple airports
- Overlapping extended AMAN operations between different airports
- Flight Centric operations
- Advanced short term ATFCM measures -STAM
- Virtual Centre
- SWIM for G/G civil-military

On IOP, Mr Hololei commented that, in line with the conclusions of the Court of Auditors' performance audit, asking the Commission to prioritise EU funding towards solutions promoting defragmentation and a competitive environment, interoperability is essential to reaching these strategic objectives and hence is one of the EC priorities. A close monitoring and reporting is therefore essential.

On drones/U-space, as announced in the letter to the Board in July, the EC has assigned an extra 10M EUR in CEF funding, to support U-space demonstration activities. Following the signature of the Delegation Agreement between the Commission and SJU, this activity can start in January.

He commented that the timing for delivering concrete results is very ambitious, since we are dealing with fast-paced technological advances and it is essential to move fast in order not to lose relevance in the global context.

Mr Gallego (INDRA) confirmed that industry has made a good progress during the last months; following the letter received from Eurocontrol confirming their availability to support the IOP activities, Industry will involve Eurocontrol and the Network Manager in the upcoming work.



Mr Brenner (Eurocontrol) stressed that failure of IOP and Datalink would represent a severe issue at EU level. IOP and the NM support is essential to develop good use cases and make IOP a success.

Mr Bertsch (DFS) confirmed that a clearer picture of needed Use cases was attained: a good set of Use cases demonstrate that cross-border ATC activities would bring more benefit, despite ATC resistance to change.

Mr Lallouette (Thales) stated that for Thales and Leonardo work is 100% on track.

Mr Guillermet continued talking about External relations, mentioning an event taking place in Strasbourg organized with other JTIs, where the SJU activities and their added value were presented to MEPs. He also referred to the SESAR Innovation days in Belgrade, where a number of SJU members and stakeholders participated and the Young scientific awards took place. Commissioner Bulc invited the SJU to set up a SESAR academy, to equip young people with skills necessary to work in ATM in the future.

He then provided an overview of the main events planned for 2018 (two main ones in Q1, Singapore Air Show and World ATM Congress) and reminded that full list is available in the SPD 2018.

Regarding the Cooperation arrangements in place, the Executive Director reported that the agreement with the US/NextGen continues and that SESAR is intensifying the discussions with Japan regarding drones/UTM/U-space and CNS/datalink. He also informed that the SJU is currently hosting an Overseas Fellowship from JCAB that could be a focal point to liaise with Japanese counterparts.

A Workshop was organised with the members in Beijing, 21-22 November 2017.

The Singapore Air Show will also be used to re-start the dialogue under the MoC (TBO, remote tower, drones/U-space).

With UAE, the discussions are currently on hold, as per agreement with the EC.

Besides that, Mr Guillermet gave an update on some of the cooperation activities:

- QATAR - MOC to be signed 20 December 2017 in Brussels
- ASEAN - New EU-ASEAN Air Transport Project "ARISE+" launch Q1 2018
- BRAZIL - New MoC discussions on hold.

Mr Hololei expressed support to the work being done in the area of external relations as SESAR is an important tool to support external Aviation Policy.

He informed that the EC signed with the FAA Administrator Michael Huerta, the amendment to the Memorandum of Cooperation on civil aviation research and development extending the scope of the cooperation to the full ATM innovation cycle and, in fact, to all domains of the Single European Sky.

The EC has also signed an important amendment to the BASA agreement extending the current scope, which will allow adding new annexes, in particular, on pilot licenses and flight simulator training devices.

The Chairperson commented that these are two major achievements that will enhance EU cooperation and coordination with the USA for the benefit of safety in air transport and global interoperability.

He recalled that the EC may already provisionally apply the amended memorandum, while waiting for the formal consent given by the EP and the final Council Decision, which will still take 2 or 3 months. The main changes introduced in the amendment are:

- Extension of the scope of cooperation to all phases of ATM modernisation, including deployment;
- A leaner governance, better involving operational services and ensuring that the Executive level plays a stronger steering role; and
- New specific arrangements covering SESAR deployment.

The FAA will continue to carry out the work on the US side and for the Union, the SESAR JU will continue to carry out the activities in the field of SESAR-NextGen R&D cooperation; Eurocontrol will continue on performance metrics; and now also the SESAR Deployment Manager will be involved on deployment topics.

For 2018 the cooperation will be about: Synchronisation of our Communication, Navigation and Surveillance roadmaps, SWIM (System wide information Management), ADS-B implementation and preparing next ICAO air navigation conference in 2018; developing cooperation in cybersecurity and drones.

Mr Hololei concluded mentioning the presence of the SESAR Joint Undertaking at the 2017 ACI Airport Exchange, which took place from 5-7 December in Muscat, Oman.

Regarding the Annual Work Programme implementation, the Mr Guillermet underlined those elements where the timescale is challenging: as regards the “Strategic area of operations n. 2 - Industrial Research and Validation”, one exercise was postponed to Release 8; regarding the Strategic Area of operations n. 3 “Strategic Area of Operation 3 - Very Large-Scale Demonstration activities” a slight delay concerns the signature of 2 Grant Agreements, process which relies also on the coordinator responsiveness; in the “Strategic Area of Operation n. 4 - Transversal Steering & SESAR Outreach”, the delay is related to the CP2 proposal preparation; in the “Strategic Area of Operation n. 5 - Effective financial, administrative & corporate management” the archiving of SESAR 1 material is postponed to Q1 2018.

Despite these delays, the implementation of the activities is progressing and does not present major risks.

The Chairperson took note of the progress made and underlined the achievements made:

SESAR 1 is successfully closed; Wave 1 industrial research in H2020 is ramped up, while exploratory research is at full speed. Drones are becoming a hot topic and the SJU managed to coordinate the development of a wide array of services outlined in the U-space blueprint. Demonstrations are also starting with an ambitious timeline. Several successful events took place (WAC in Madrid, launch of the Master Plan campaign).

### ▷ Conclusions on item 3

- The Board took note of the information provided during the presentation and the discussion.

## Item 4 Planning documents

### Item 4a SPD 2018-2020

Mr Hotham recalled to the Board Members the Single Programming Document (SPD) 2018-2020 review process: the initial draft was submitted to the ADB on 14/12/2016 for review; the second draft was submitted to the Budgetary Authority on 31/01/2017; the Commission opinion was received on 12/10/2017 and formalised on 5/12/2017; the final draft was submitted to the ADB on 20/10/2017 for review and the final version submitted to ADB on 28/11/2017 in view of adoption and an updated final version, addressing all comments received, was submitted on 13/12/2017.

Mr Hotham also reminded that the multi-annual and annual work programme are structured in 6 Strategic Areas of Operation:

1. Provide Strategic Programme Steering
2. Deliver Exploratory Research (ER) & Fast-track integration to VLD
3. Deliver Industrial Research & Validation (IR)
4. Deliver Very Large-Scale Demonstration Activities (VLD)
5. Deliver SESAR Outreach
6. Provide Financial, Administrative and Corporate Management



The SPD 2018 includes a number of essential elements:

- Call conditions for U-space call to be published in 2018 (Financing Decision)
- Airspace Architecture study to be undertaken in 2018 (Financing Decision)
- SJU 2018 Budget (Financing Decision)
- Procurement Plan for 2018 (Financing Decision)
- SJU Staff Establishment Plan
- Corporate risks and mitigation plan

Mr Hotham continued, underlining that during 2017, the SJU had prepared the planning for the 2019 call for proposals for SESAR 2020 Wave 2; established on the basis of the following key principles:

- EU policy orientations as defined in EU Aviation Strategy and as translated in Master Plan 2018 update
- For the ER4 Call:
  - Results of ER1 and new concepts based on Scientific Committee advice
  - Additional analysis of the wider ATM scientific community including ACARE and the proceedings of the SESAR Innovation Days
- For the IR/VLD Wave 2 Call:
  - New topics resulting from ER ATM application-oriented research results
  - Prioritised Wave 1 results requiring further development (subject to performance-driven analysis)
  - VLD based on Wave 1 results and required for CP2 Solutions
  - Consultation of the Programme Committee
- VLD Open 2 Call
  - Based on results stemming from Wave 1 results and required for CP2 Solutions
  - Includes input from Master Planning Committee consultation

Mr Hotham reminded that the SPD constitutes the financing decision for the year 2018: it contains Budget information as well as the Staff establishment Plan (39 temporary agents, 3 Seconded National Experts; 2 contracts agent positions added for managing the transition to H2020 were concluded at the end of 2017); the Procurement Plan in Annex IX.

He then continued presenting the main changes included in the final version compared to the October version, to take into account the comments received from the EC and the Members and align the text to latest developments. The document was then proposed for adoption.

The Chairperson confirmed that the Commission opinion on the SPD was formally adopted on 5 December, after the SJU and EC have been working throughout the year and in particular during the last two months on refining the text to implement the recommendations of the College.

The SJU has provided the EC with feedback on how the recommendations have been addressed and reflected in the text and the EC expressed its support to the adoption of the document.

Ms de Mateo (ENAIRE) asked clarifications regarding two studies, one on “future architecture of the European airspace” in support to the concept of European Upper Information Region (EUIR) and one to define the Optimum CNS infrastructure for Europe: she asked if they were planned to be outsourced and how the operational stakeholder involvement would be granted, in particular how ANSP’s would be involved in the EUIR study.

Mr Guillermet answered that regarding the first study the procurement is still being

reflected upon; the SJU's intention is to connect the study to the ATM MP update and to inform and involve the EC and the stakeholders. Regarding the option for a CNS study, there is no confirmation of the need at this stage and all details will be defined during the course of 2018, as they are linked to the developments of the CP2.

Mr Bertsch (DFS) warned about possible failure of the EUIR study and offered DFS support to deliver a useful document.

#### ▷ Conclusions on item 4a

- The Board adopted decision ADB(D)21-2017 on the SDP 2018-2020.

#### **Item 4b SPD 2019-2021**

Mr Hotham continued informing the Board that the SPD 2019-2021 will keep the same structure as the one of the SPD 2018-2020 and will therefore be organized in 6 areas of operations, will contain the calls conditions for 2019 calls for proposals, an early draft of the 2019 Budget, Procurement Plan, Staff Establishment Plan, Corporate risks and mitigation plan.

Mr Hotham provided an overview on the content of the Strategic areas of operations.

- **Strategic Area of Operation n.1: Strategic Programme Steering**
  - Follow-on of ATM Master Plan update campaign
  - Closure of Wave 1 Transversal Steering Activities. Wave 2 Steering activities depends on the results of the Wave 2 Call
- **Strategic Area of Operation n.2: Exploratory Research & Fast-track integration to VLD**
  - Closure of ER2-RPAS projects
  - Supervision of ER3 projects
  - Launch ER4 Call
- **Strategic Area of Operation n.3: Industrial Research & Validation**
  - Execution of Release 9 and planning of Release 10
  - Launch of IR/VLD Wave 2 Call
    - The content of Wave 2 Call will be further defined in 2018 (cf. SPD 2018-2020) with outcome of currently ongoing projects
    - Outcome of PC 05 used to build main trends for ATM evolution
  - Execute Wave 1 - Wave 2 Transition
  - Definition of drivers is in progress and will continue over 2018 in accordance with the Preparation process described in the SPD 2018-2020

#### **Strategic Area of Operation n.4: Very Large-Scale Demonstration Activities**

- Supervision of U-space activities and execution of U-space demonstration activities
- Launch of VLD Open 2 Call

It was also highlighted that Budget figures of the 2019 Calls (ER4, Wave 2, VLD Open 2) are still to be confirmed and depend in particular on the final outcome of previous H2020 calls.

Finally the timeline was provided:

- 15/12/2017: Submission to ADB for review
- 12/01/2018: ADB feedback



- 31/01/2018: Submission of SPD to the EC and the Budgetary Authority
- Q3 2018: EC feedback
- October 2018: Final draft submitted to ADB for final review
- November 2018: Final version submitted to ADB in view of adoption
- December 2018: Adoption by ADB

The Chairperson concluded inviting Members to provide any support needed to the SJU in preparing the first draft of the SPD 2019-2021.

## ▷ Conclusions on item 4b

The Board took note of the information provided by the SJU.

## **Item 5 General Administrative and financial items**

### **Item 5a Overview of Administration and Finance activities**

Mr Calvo provided an overview of the work distribution of the legal departments: 1/3 grants, 1/3 procurement, 1/3 legal advice.

The procurement procedures launched include 1 call for expression for Interest; 1 Prize Public Contest; 6 calls for tenders (open and negotiated), leading to the signature of 9 new framework contracts (incl. 5 to be signed shortly) and 5 direct service contracts (incl. 1 to be signed shortly).

In terms of implementation of existing Framework Contracts, 29 Specific Contracts have been signed this year (incl. 11 implementing Inter-institutional Framework Contracts); several Amendments (contracts and specific contracts).

Regarding financial matters, Mr Calvo went through the adoption process of the SJU Annual Accounts 2016 that for the first time were drafted in cooperation with DG Budget and were approved by the ADB on 8 December.

He continued providing an overall picture of the SESAR 2020 Budget execution (since the beginning of the Programme till December 2017): as regards Title 3, EUR 196.350.993 in terms of commitments and EUR 99.242.436 in terms of payments.

On HR matters, Mr Calvo confirmed that the staff establishment plan is stable and composed by 39 positions (3 recruitments ongoing and 1 vacant position at December 2017) and indicated that the turnover rate was 11,43% at the end of 2017. In addition to those positions, 17 people are working at the SJU as part of the Eurocontrol PMU, 3 Seconded National Experts and 1 Seconded from the SJU Members.

He then continued providing some figures related to the training in legal, HR, financial matters attended by SJU staff to keep up the expertise and listed the networks on administrative matters where the SJU is participating.

Mr Calvo informed the Members that in 2018 the SJU will have to launch a series of Written Procedures on HR matters.

### **Item 5b Report on the Interim and Financial Statements 2016**

On IFS 2016 and FFS, Mr Calvo presented the situation at 14 December morning: all the IFS 2016 received and accepted; FFS 9 accepted; for 2, technical issues being solved; for 1, clarification is expected from the Member and the other 2 are under preparation for AO signature.

In terms of Budget execution for SESAR 1, Mr Calvo underlined that whereas for

operational costs (Title 3) 91% of the budget was spent, significant savings were made in running costs (c. 30%). The final amount will be known only after all FFS is completed and paid, and 2016 ex-post audits are finalized (end 2018).

He also added that the reimbursement of any excess of cash contribution to Members is governed by articles 13.1 and 25 of the Statutes of the SJU and the SJU is taking the necessary steps with the EC to analyse the current situation and ensure that, once the final amount is known, the non-used revenues for SESAR1 running costs are managed in the most possible beneficial and appropriate way to SESAR 1 Members.

In answering Mr Rodak's (B4 Consortium) question, Mr Calvo confirmed that there was no need for cash contribution in 2017.

#### **Item 5c Guidance for Members and Auditors: Certification of the declaration of In-kind contributions for operational activities (IKOP) and ToRs**

Mr Calvo recalled the Members that the ADB adopted in 2016 the "Methodology and validation process for in-kind contributions (IKC) in the SJU". In July 2016 the EC issued a position paper requiring the JUs to develop Terms of Reference (ToR) and a model for the certificate. In its 2016 Annual Report ECA recommends to the SJU to introduce specific guidance for the members and their external auditors concerning the declaration and certification of members' in-kind contribution.

The SJU guidance and ToR were drafted therefore drafted based on requirements of MA, AMGA and EC position paper and were distributed to PC Member, DMSC Members, financial points of contact. The document describes the 3 types of in-kind contribution:

- IKOP-A-> certification based on eligible cost (similar to SESAR1)
- IKOP-B-> certification and accounting practices based on ISA 805 (new)
- IKAA -> for secondment to the SJU only

He stressed that the choice between IKOP-A and IKOP-B was taken at the level of membership proposal, but modifications could be done, on a case by case basis, if needed.

Mr Lallouette (Thales) reminded that some information shall remain confidential and was invited to send specific request to the SJU in case of need.

#### **Item 5d SESAR 1 Foreground final list (IPRs)**

Mr Calvo concluded by announcing that, a written procedure on the SESAR 1 foreground was planned to be launched tentatively by year-end to adopt the final list of SESAR deliverables with ownership classification.

#### **▷ Conclusions on items 5a, 5b,5C, 5d**

- The Board thanked Mr Calvo for the information on General administrative and financial items.

#### **Item 6 Internal Audit Capability: conclusions of Audit activities in 2017 and presentation of IAC Annual Audit Plan 2018**

Ms Haarsma presented all audits that took place in 2017, provided an overview of the action plans related to former audits and presented the 2018 IAC Annual Audit Plan.

First of all, she presented recently closed and ongoing audits:

- In October 2017, the final reports of the Interim Evaluation of SESAR 2020 and the Final evaluation of SESAR 1 have been published. In order to address the 5 recommendations included in these reports, the SJU will set up an action plan together with the European Commission in 2018. The link to the final reports is the following:



[https://ec.europa.eu/transport/transport-modes/news/2017-10-10-transport-join-undertakings-are-delivering-expected-results\\_en](https://ec.europa.eu/transport/transport-modes/news/2017-10-10-transport-join-undertakings-are-delivering-expected-results_en)

- In November 2017, the European Court of Auditors published the report on the Performance audit of the SES. This audit led to 9 recommendations in total of which 3 are addressed (in) directly to the SJU. The SJU will set up action plan together with the European Commission in 2018 to address these recommendations. The link to the final report is the following:  
<https://www.eca.europa.eu/en/Pages/DocItem.aspx?did=43538>
- In October 2017, the IAS performed an audit on H2020 coordination with the Common Support Center and the implementation of CSC tools and services. The scope included governance, cooperation in audit, legal, processes, grant management, dissemination of results and implementation of tools by the SJU. Results are expected in Q1 2018.
- In November 2017, the European Court of Auditors started the fieldwork related to the audit of the SJU 2017 Accounts. The audit firm Moore Stephens will perform a part of this audit too. The second part of the fieldwork is planned for January 2018 and the final report is expected in Q3 2018.

Secondly, Ms Haarsma informed the Board on how the SJU has addressed recommendations stemming from previous IAS audits. She reminded the Board that in total, the IAS has issued 24 recommendations since 2012. It is important to note that these never included any critical recommendations. Of these 24, 13 have been closed for a while whereas 11 were still open in 2017. Since a few weeks, 10 additional recommendations have been proposed for closure as well (meaning that the SJU considers the actions to be implemented). The last open recommendation is expected to be implemented in Q2, 2018.

She continued by illustrating the various actions the SJU has implemented following the IAS audit on Risk management, the IAS audit on the Master Plan update process, the IAS audit on H2020 grants and the ECA audit of the accounts 2016.

Lastly, Ms Haarsma presented the IAC audit plan for 2018, which will be sent for approval to all Board Members. This includes audit, advice and coordinating activities. Audit activities will consist of mitigating risks identified in past audits through coordinating the set-up of action plans, monitoring implementation of new controls following past audits and validating granted ABAC authorizations. Coordination activities will include chairing the Permanent Audit Panel, liaising with EC Audit networks, and coordinating the new audits planned in 2018. Consulting activities will encompass ad-hoc advice on efficient and effective management and on procurement and an assessment of IT outsourcing.

On behalf of the Board, Mr Hololei thanked Ms Haarsma for ensuring proper follow-up to audit findings and recommendations. This gives assurance that the SJU functions as intended and that whenever there are things to be corrected, tools to identify and address the problems are put in place.

## Conclusions on item 6

The Board took note of the information provided by the SJU IAC.

## **Item 7 AOB Status of the IAS audits and upcoming risk assessment**

Mr van der Zee, Director of IAS A, introduced his presentation specifying that the IAS is the internal auditor of the SJU, which is to be understood as a truly internal function.

The IAS Strategic Internal Audit Plan 2015-2017 covered three audit topics

- 2015 Audit on "Operational governance and Master Plan update"
- 2016 Audit on "H2020 grant process "
- 2017 Audit on "Coordination with the Common Support Centre and implementation of CSC tools and services"

Regarding the latter, Mr van der Zee explained that this audit was performed in all JUs,

because with the introduction of H2020, all the JUs had to apply H2020 rules and tools and all faced similar challenges and shared same concerns in the ramp up phase.

The audit aimed to assess the adequacy of the design and the efficiency and effectiveness of the SESAR JU internal control processes for coordination with the CSC and implementation of CSC tools and services. More specifically the scope of the audit was about the coordination between the SJU and the CSC on all levels of governance (Executive Director's participation in the CSC Executive Committee and SJU staff's participation in working groups and committees) and concerned all five areas of the CSC (Legal, ex-post Audit, Business Processes, IT, Information and Data).

The IAS carried out audits on this topic in six Joint Undertakings with an aligned audit approach. The horizontal report will be shared with all stakeholders in January 2018.

Mr van der Zee then confirmed that the SESAR action plans to address IAS recommendations stemming from 2014, 2015 and 2016 audits are on track and the IAS follow-up review of the recommendations is planned for January 2018.

The IAS Strategic Audit plan 2019-2021 will be based on the results of the SJU Risk assessment that will be conducted in 2018 and will touch upon administrative and operational processes. The risk assessment will lead to a list of topics that will be classified according to two variables: impact/inherent risk and vulnerability/residual risk. The IAS will then discuss and identify the topics to be covered by the next audits with the SJU management. Mr van der Zee invited the Board Members to share concerns and inputs on processes that would benefit from being audited by IAS.

Mr Hotham reminded that the STELLAR collaboration tool will be available to host the Administrative Board library as of January 2018.

Mr Hololei, concluded the meeting acknowledging the substantial contribution of Mr Brenner to the success of the SJU in recent years and to the SESAR project in general.

He reminded that in 2014, Eurocontrol committed to invest EUR 500 million in the SESAR 2020 programme, thus substantially reinforcing the renewal of the SJU.

Eurocontrol is also strongly involved in the SESAR deployment phase, both at policy level, as well as at implementation level - projects worth over EUR 50 million were awarded to NM, MUAC and the Eurocontrol Agency - and in the work of updating the EU ATM Master Plan in 2015, as well as the new campaign which was launched on 7 November of this year in Tallinn.

Mr Hololei stressed that under Mr Benner's leadership, Eurocontrol has grown stronger as an organisation, by extending its membership and reinforcing its international reach through new partnerships and a stronger ICAO involvement and thanked for the good cooperation with the European Commission for the benefit of the Aviation community.

He finally expressed his personal appreciation for his relentless commitment to the ATM world, Eurocontrol and SESAR.

He welcomed Mr Brennan in his new position as Eurocontrol DG and thanked all the Board Members and the SJU for the good cooperation in 2017.



## Conclusions on item 7

The Board took note of the information provided by the IAS.

The dates of the Administrative Board meetings in 2018:

- Thursday 3 May 2018
- Thursday 18 October 2018
- Wednesday 12 December 2018



Annexes

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- Annex 1 Board Members attendance list
- Annex 2 Declarations on conflicts of interest

Done in Brussels, 14/12/2017

Chairperson  
Mr Henrik Hololei



Secretary  
Ms Ilaria Vazzoler



**Annex 1**  
**Attendance list**



**Annex 2**  
**Declarations on conflicts of interest**

